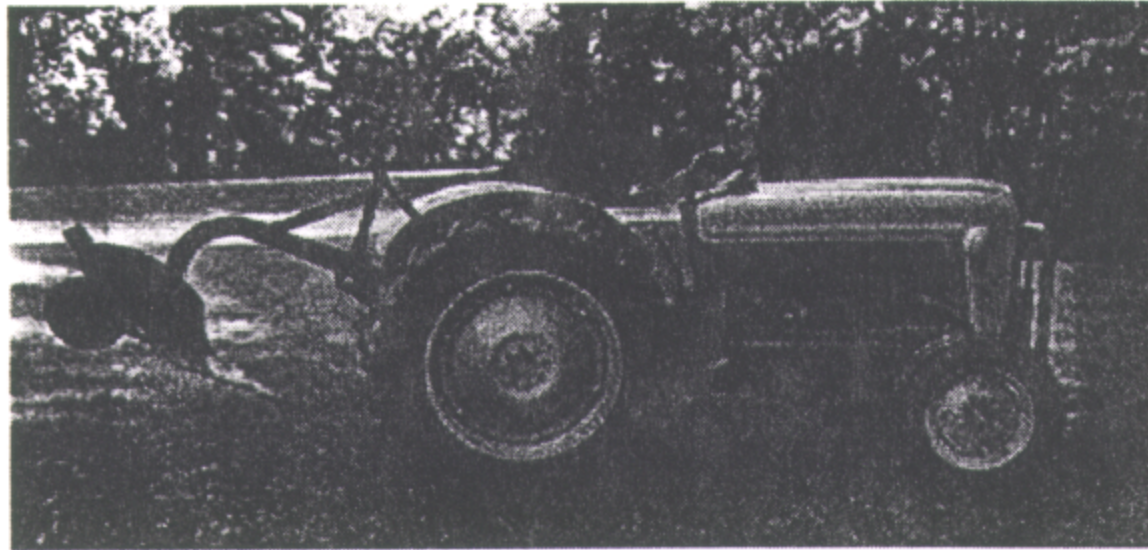


Congress of the United States

Washington, DC 20515

Help put farmers back in the driver's seat



Support the Talent/Thune Value-Added Package

May 25, 2000

Dear Colleague:

Farmers are frustrated by the mounting challenges they face as a result of consolidation and vertical integration. As you know, producers are price takers and not price makers. They have to take whatever price is offered for their raw commodities when they go to market. Unfortunately, this often results in a complete lack of bargaining power and an ever-decreasing share of the consumer food dollar. This is a long-term problem that won't go away with the passage of more traditional measures. It's time to start thinking outside the box.

Opportunities exist for producers to join together in their efforts and create value-added ventures, such as soybean crushing plants, ethanol plants, and beef processing plants. By doing this, our producers can capture more of the profits generated from their raw commodities by reaching up the agricultural marketing chain.

While farmers see these opportunities, they are unable to seize them because two barriers exist: 1) though farmers are experts in their own fields, they are out of their arena when it comes to putting together complicated value-added ventures; and 2) farmers are currently cash-strapped.

The Talent/Thune Value-Added Package, H.R. 3996 and H.R. 4497, addresses both of these issues. H.R. 3996 provides the technical assistance producers need to start these ventures, such as market feasibility studies and engineering and legal assistance, while H.R. 4497 provides a 50% tax credit on investment, up to \$30,000 per year, for six years.

Help us put farmers back in the driver's seat by cosponsoring the Talent/Thune Value-Added Package. Please contact Shelby Neal at x-52561 or Erik Iverson at x-52801.

Jim Talent
Member of Congress

Sincerely,

John Thune
Member of Congress